GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6880
ANSWERED ON:09.05.2003
FREE TRADE TREATY
BRAHMANAND MANDAL;SUBODH MOHITE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the names of countries with whom India has signed Free Trade Treaty;

(b) the impact of these agreements on bilateral trade with these countries;

(c) whether the Government have a proposal to sign the Free Trade Treaty with any other country;

(d) if so, the names of such countries; and

(e) the benefit that India is likely to have through the Free Trade Policy?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) A Free Trade Agreement (FTA) was signed between India and Sri Lanka on 28th December, 1998 in New Delhi. The FTA has been made operative by the issuance of Customs Notification on 1st March, 2000.

(b) Since the coming into operation of FTA between India and Sri Lanka, the growth of bilateral trade turnover is as given below:

Value in Rs. Lakhs

S.No.	Year	1999-2000	2000-2001	2001-2002
1.	India`s total trade with Sri Lanka	235,514.76	313,006.87	333,018.83
2.	% Growth	17.90	32.90	6.30

Source: DGCI&S, Kolkata

(c) & (d) A decision has been taken to negotiate a Framework Agreement on Free Trade Treaty with Thailand and also to launch negotiations towards a bilateral Comprehensive Economic Cooperation Agreement with Singapore.Decision has also been taken to negotiate a Framework Agreement on Comprehensive Economic Cooperation, whichshall cover free trade in goods, services and investments, with the Association of South East Asian Nations (ASEAN)The member states of ASEAN are Brunei Darussalam, Cambodia, Indonesia, the Lao People`s Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and VietnamA decision also has been taken to negotiate a Framework Agreement with Mercosur (Brazil, Argentina, Paraguay and Uruguay) ultimately leading to FTA.

(e) Such Free Trade Agreements are expected to enhance the bilateral trade and investment flows between the countries by providing better market access resulting from the exchange of tariff concessions.